

## Waste Action Alert

*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)  
Rep. Tom Price (R-GA), RSC Chairman*

### Repeal the Davis-Bacon Act

*December 16, 2009*

**Program or Item Targeted:** Repealing the wage rate requirements commonly known as the Davis-Bacon Act.

**Annual Cost of Program or Item:** CBO found that Davis-Bacon raises government construction costs by **\$1 billion a year**. Repealing the Act would reduce the federal deficit \$5 billion over five years.

**Background on Program or Item to Be Sunseted:** The Davis-Bacon Act, a Depression-era wage subsidy law, requires that each public works contract over \$2,000 contain a clause that establishes the minimum wages to be paid. Contractors and subcontractors are to pay workers a minimum wage based on the local "prevailing wage." However, these wages rarely resemble local market conditions because they are based on union recommendations. Small and minority-owned businesses are discouraged from bidding on public projects by the complex and archaic rules set forth by the Act. The inflated Davis-Bacon wage scale requirements shut small employers out of the federal construction market.

**Why This Program or Item Is Wasteful:** When the Davis-Bacon Act was passed in 1931, there were minimal worker protections available, so a standardized salary set by the federal government seemed more necessary. Today, there are state and federal minimum wage laws and other Fair Labor Standards Act protections that reduce the necessity of the Davis-Bacon Act. Plus, the Act has racist roots, implemented to make it harder for black workers on Long Island to get federal contracts. Today, the Act drives up the cost to taxpayers of federal projects. The Davis-Bacon Act serves only one real purpose: union protectionism.

**Legislative Steps Taken So Far:** On 6/16/2009 Rep. Steve King (IA-05) introduced HR 2900. The bill has been referred to the House Committee on Education and Labor. The bill currently has 27 cosponsors.

**MEMBER ACTION ITEM:** To co-sponsor HR 2900 contact Bentley Graves (5-54426) with Rep. King or Sarah Krug (5-2536) with Rep. Mack's office.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail [brad.watson@mail.house.gov](mailto:brad.watson@mail.house.gov).

If you have a bill or amendment to highlight in the next Waste Action Alert please contact [ryan.tronovitch@mail.house.gov](mailto:ryan.tronovitch@mail.house.gov).

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

*"The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,  
working to sunset programs that taxpayers shouldn't be paying for."*